

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
 Stock name : WASEONG
 Financial Period Ended : 31 December 2012
 Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2012

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Year	
	Current Quarter Ended 31 December 2012 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 31 December 2011 Unaudited RM'000	Financial Year Ended 31 December 2012 Unaudited RM'000	Preceding Corresponding Financial Year Ended 31 December 2011 Audited RM'000
Gross revenue	463,820	514,212	1,951,552	1,889,111
Cost of sales	(399,779)	(418,567)	(1,690,506)	(1,509,277)
Gross profit	64,041	95,645	261,046	379,834
Other operating income	8,448	15,944	40,968	40,503
Selling and distribution expenses	(10,901)	(6,052)	(33,257)	(32,697)
Administrative and general expenses	(44,121)	(63,614)	(169,209)	(178,127)
Other (losses)/gains - net	(490)	1,875	2,746	(9,687)
Finance costs	(4,964)	(4,809)	(21,156)	(21,952)
Share of results of associates and jointly controlled entities	(2,361)	(5,485)	1,343	(4,606)
Profit before tax	9,652	33,504	82,481	173,268
Taxation	(5,687)	(12,942)	(21,853)	(42,029)
Net profit for the financial period/year	3,965	20,562	60,628	131,239
Net profit attributable to:				
- Owners of the Company	5,237	19,520	52,538	110,374
- Non-controlling interests	(1,272)	1,042	8,090	20,865
	3,965	20,562	60,628	131,239

Earnings per share				
- Basic earnings per share (sen)	0.68	2.52	6.86	14.48
- Diluted earnings per share (sen)	0.68	2.52	6.86	14.48

Net profit for the financial period/year	3,965	20,562	60,628	131,239
Other comprehensive income/(expense), net of tax:				
Available-for-sale financial assets				
- Fair value gains/(losses)	12	36	(10)	36
- Transfer to profit or loss upon disposal	-	-	(13)	-
Cash flow hedge				
- Fair value gains	-	-	-	407
- Tax charge on fair value gains	-	-	-	(69)
- Realisation upon settlement	-	-	-	101
Foreign currency translation differences for foreign operations	(115)	(2,176)	(7,944)	6,565
	(103)	(2,140)	(7,967)	7,040
Total comprehensive income for the financial period/year	3,862	18,422	52,661	138,279

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2012

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (continued)

	Individual Quarter		Cumulative Year	
	Current Quarter Ended 31 December 2012 Unaudited RM'000	Preceding Year Corresponding Quarter Ended 31 December 2011 Unaudited RM'000	Financial Year Ended 31 December 2012 Unaudited RM'000	Preceding Corresponding Financial Year Ended 31 December 2011 Audited RM'000
Total comprehensive income attributable to:				
- Owners of the Company	5,144	17,667	44,471	117,321
- Non-controlling interests	(1,282)	755	8,190	20,958
	3,862	18,422	52,661	138,279

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2012

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December 2012 Unaudited RM'000	As at 31 December 2011 Restated RM'000	As at 1 January 2011 Restated RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment	478,400	511,628	541,463
Prepaid lease payments	97,107	78,546	79,719
Investment properties	11,253	4,930	6,172
Investment in associates	114,655	17,941	17,091
Investment in jointly controlled entities	71,764	22,107	27,625
Available-for-sale financial assets	1,142	1,173	1,137
Derivative financial assets	61	1,580	10
Goodwill	109,886	112,552	110,469
Other intangible assets	45	544	549
Deferred tax assets	10,498	8,693	9,581
	894,811	759,694	793,816
Current Assets			
Inventories	251,324	284,159	243,115
Amounts due from customers on contracts	55,251	69,702	46,000
Trade and other receivables	578,309	570,347	481,078
Amounts owing by associates	1,442	3,815	4,079
Amounts owing by jointly controlled entities	52,560	463	7,044
Tax recoverable	23,490	14,478	12,217
Derivative financial assets	472	-	2,187
Time deposits	155,229	399,493	175,531
Cash and bank balances	158,480	184,896	189,891
	1,276,557	1,527,353	1,161,142
Assets of disposal groups held for sale	3,990	8,576	54,753
TOTAL ASSETS	2,175,358	2,295,623	2,009,711
EQUITY AND LIABILITIES			
Capital and Reserves Attributable to Owners of the Company			
Share capital	387,444	376,787	361,971
Equity component of Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	-	4,895	11,701
Share premium	160,254	162,385	165,348
Warrants reserve	25,786	25,786	25,786
Exchange translation reserves	(1,572)	6,472	-
Hedging reserve	-	-	(439)
Treasury shares	(8,573)	(222)	(138)
Available-for-sale reserve	54	77	41
Retained profits	421,907	427,854	360,916
Equity attributable to owners of the Company	985,300	1,004,034	925,186
Non-controlling interests	104,603	93,658	115,052
TOTAL EQUITY	1,089,903	1,097,692	1,040,238

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2012

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

	As at 31 December 2012 Unaudited RM'000	As at 31 December 2011 Restated RM'000	As at 1 January 2011 Restated RM'000
LIABILITIES			
Non-current and Deferred Liabilities			
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	-	-	8,678
Hire purchase liabilities	17	27	31
Term loans	219,868	373,318	428,365
Deferred tax liabilities	6,497	13,712	18,831
Other liabilities	3,279	2,201	2,415
	<u>229,661</u>	<u>389,258</u>	<u>458,320</u>
Current Liabilities			
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	-	3,630	-
Amounts due to customers on contracts	61,232	35,831	32,992
Trade and other payables	313,019	302,442	246,238
Amount owing to an associate	-	-	68
Amounts owing to jointly controlled entities	2,901	1,331	279
Derivative financial liabilities	-	3,808	414
Provision for warranties	10,526	12,231	18,604
Hire purchase liabilities	8	8	24
Term loans	81,662	38,262	75,635
Other bank borrowings	382,917	398,169	116,042
Dividend payable	-	-	1,343
Current tax liabilities	3,529	12,961	9,183
	<u>855,794</u>	<u>808,673</u>	<u>500,822</u>
Liabilities of disposal groups held for sale	<u>-</u>	<u>-</u>	<u>10,331</u>
TOTAL LIABILITIES	<u>1,085,455</u>	<u>1,197,931</u>	<u>969,473</u>
TOTAL EQUITY AND LIABILITIES	<u>2,175,358</u>	<u>2,295,623</u>	<u>2,009,711</u>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2012

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

These figures have been audited

	----- Attributable to owners of the Company -----												
	Share capital RM'000	Equity component of ICULS RM'000	Share premium RM'000	Warrants reserve RM'000	Exchange translation reserves RM'000	Capital reserve RM'000	Treasury shares RM'000	Hedging reserve RM'000	Available- for-sale reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2011													
- as previously stated	361,971	11,701	165,348	25,786	(9,930)	85	(138)	(439)	41	370,761	925,186	115,052	1,040,238
- effects of transitioning to MFRS (Note 1)	-	-	-	-	9,930	(85)	-	-	-	(9,845)	-	-	-
- as restated	361,971	11,701	165,348	25,786	-	-	(138)	(439)	41	360,916	925,186	115,052	1,040,238
Net profit for the financial year	-	-	-	-	-	-	-	-	-	110,374	110,374	20,865	131,239
Other comprehensive income for the financial year	-	-	-	-	6,472	-	-	439	36	-	6,947	93	7,040
Total comprehensive income for the financial year	-	-	-	-	6,472	-	-	439	36	110,374	117,321	20,958	138,279
Transactions with owners:													
Shares repurchased (including transaction costs)	-	-	-	-	-	-	(84)	-	-	-	(84)	-	(84)
Issuance of shares:													
- conversion of ICULS	11,853	(6,806)	-	-	-	-	-	-	-	-	5,047	-	5,047
- bonus shares arising from conversion of ICULS	2,963	-	(2,963)	-	-	-	-	-	-	-	-	-	-
Dividends paid to owners of the Company	-	-	-	-	-	-	-	-	-	(41,027)	(41,027)	-	(41,027)
Dividends paid to non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	(45,290)	(45,290)
Disposal of shares in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(11,334)	(11,334)
Total contributions by and distributions to owners	14,816	(6,806)	(2,963)	-	-	-	(84)	-	-	(41,027)	(36,064)	(56,624)	(92,688)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2012

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

These figures have been audited

	----- Attributable to owners of the Company -----												
	Share capital RM'000	Equity component of ICULS RM'000	Share premium RM'000	Warrants reserve RM'000	Exchange translation reserves RM'000	Capital reserve RM'000	Treasury shares RM'000	Hedging reserve RM'000	Available- for-sale reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
Issue of shares to non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	431	431
Disposal of shares in existing subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,409)	(2,409)	13,841	11,432
Total changes in ownership interest in subsidiaries that did not result in a loss of control	-	-	-	-	-	-	-	-	-	(2,409)	(2,409)	14,272	11,863
Total transactions with owners	14,816	(6,806)	(2,963)	-	-	-	(84)	-	-	(43,436)	(38,473)	(42,352)	(80,825)
At 31 December 2011	376,787	4,895	162,385	25,786	6,472	-	(222)	-	77	427,854	1,004,034	93,658	1,097,692

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4
Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2012

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

These figures have not been audited

	----- Attributable to owners of the Company -----										Non-controlling interests RM'000	Total equity RM'000	
	Share capital RM'000	Equity component of ICULS RM'000	Share premium RM'000	Warrants reserve RM'000	Exchange translation reserves RM'000	Capital reserve RM'000	Treasury shares RM'000	Available-for-sale reserve RM'000	Retained profits RM'000	Total RM'000			
At 1 January 2012													
- as previously stated	376,787	4,895	162,385	25,786	(3,458)	85	(222)	77	437,699	1,004,034	93,658	1,097,692	
- effects of transitioning to MFRS (Note 1)	-	-	-	-	9,930	(85)	-	-	(9,845)	-	-	-	
- as restated	376,787	4,895	162,385	25,786	6,472	-	(222)	77	427,854	1,004,034	93,658	1,097,692	
Net profit for the financial year	-	-	-	-	-	-	-	-	52,538	52,538	8,090	60,628	
Other comprehensive income/(expense) for the financial year	-	-	-	-	(8,044)	-	-	(23)	-	(8,067)	100	(7,967)	
Total comprehensive income/(expense) for the financial year	-	-	-	-	(8,044)	-	-	(23)	52,538	44,471	8,190	52,661	
Transactions with owners:													
Shares repurchased (including transaction costs)	-	-	-	-	-	-	(8,351)	-	-	(8,351)	-	(8,351)	
Issuance of shares:													
- conversion of ICULS	8,526	(4,895)	-	-	-	-	-	-	-	3,631	-	3,631	
- bonus shares arising from conversion of ICULS	2,131	-	(2,131)	-	-	-	-	-	-	-	-	-	
Dividends paid to owners of the Company	-	-	-	-	-	-	-	-	(43,470)	(43,470)	-	(43,470)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,097)	(1,097)	
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	37	37	
Disposal of shares in subsidiaries	-	-	-	-	-	-	-	-	-	-	(4,776)	(4,776)	
Total contributions by and distributions to owners	10,657	(4,895)	(2,131)	-	-	-	(8,351)	-	(43,470)	(48,190)	(5,836)	(54,026)	

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4
Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2012

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
 These figures have not been audited

	----- Attributable to owners of the Company -----											
	Share capital RM'000	Equity component of ICULS RM'000	Share premium RM'000	Warrants reserve RM'000	Exchange translation reserves RM'000	Capital reserves RM'000	Treasury shares RM'000	Available- for-sale reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
Issue of shares to non-controlling interest	-	-	-	-	-	-	-	-	-	-	5,107	5,107
Effects of dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	160	160	-	160
Acquisition of shares in an existing subsidiary from non-controlling interests	-	-	-	-	-	-	-	-	(5,022)	(5,022)	(6,669)	(11,691)
Effects arising from the acquisition of new shares allotted by an existing subsidiary	-	-	-	-	-	-	-	-	(10,153)	(10,153)	10,153	-
Total changes in ownership interest in subsidiaries that did not result in a loss of control	-	-	-	-	-	-	-	-	(15,015)	(15,015)	8,591	(6,424)
Total transactions with owners	10,657	(4,895)	(2,131)	-	-	-	(8,351)	-	(58,485)	(63,205)	2,755	(60,450)
At 31 December 2012	387,444	-	160,254	25,786	(1,572)	-	(8,573)	54	421,907	985,300	104,603	1,089,903

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2012

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Financial Year Ended 31 December 2012 Unaudited RM'000	Preceding Corresponding Financial Year Ended 31 December 2011 Audited RM'000
Cash flows from operating activities		
Profit before tax	82,481	173,268
Adjustments for non-operating items:		
Depreciation and amortisation	55,992	53,730
Impairment loss on property, plant and equipment	-	19,089
Other non-cash items	5,855	18,925
Interest expense	21,156	21,952
Interest income	(10,243)	(11,137)
Operating profit before changes in working capital	<u>155,241</u>	<u>275,827</u>
Changes in working capital:		
Net changes in current assets	22,477	(142,679)
Net changes in current liabilities	(24,286)	59,414
Cash generated from operations	<u>153,432</u>	<u>192,562</u>
Interest received	10,243	11,137
Interest paid	(21,156)	(21,952)
Tax paid	(47,418)	(45,035)
Net cash generated from operating activities	<u>95,101</u>	<u>136,712</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(38,470)	(39,199)
Prepaid lease payments	(15,369)	-
Purchase of investment properties	(197)	-
Purchase of other intangible asset	-	(112)
Proceeds from disposal of property, plant and equipment	373	4,313
Payment for subscription of interest in jointly controlled entities	(59,152)	-
Acquisition of interest in an associate company	(96,936)	-
Dividend received from an associated company	377	346
Dividend received from jointly controlled entities	10,081	3,955
Proceeds from disposal of available-for-sale financial assets	15	-
Proceeds from disposal of assets held for sale	4,636	2,399
Proceeds from disposal of subsidiaries	6,454	17,517
Net cash used in investing activities	<u>(188,188)</u>	<u>(10,781)</u>
Cash flows from financing activities		
Drawdown of other bank borrowings	567,782	621,272
Repayments of other bank borrowings	(575,689)	(351,998)
Drawdown of term loans	-	1,587
Repayment of term loans	(102,179)	(105,692)
Payment of hire purchase installments	(10)	(18)
Purchase of treasury shares	(8,351)	(84)
Purchase of interest rate cap	-	(5,250)
Release of deposits pledged as security for term loans	-	1,295
Dividends paid to non-controlling interests of subsidiaries	(1,097)	(46,633)
Dividends paid to owners of the Company	(43,470)	(41,027)
Proceeds from issuance of shares to non-controlling interests	-	431
Proceeds from disposal of shares in subsidiaries that did not result in loss of control	-	11,626
Acquisition of additional shares in a subsidiary	(11,066)	-
Net cash (used in)/generated from financing activities	<u>(174,080)</u>	<u>85,509</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2012

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Financial Year Ended 31 December 2012 Unaudited RM'000	Preceding Corresponding Financial Year Ended 31 December 2011 Audited RM'000
Net changes in cash and cash and cash equivalents	(267,167)	211,440
Currency translation differences	(3,513)	8,822
Cash and cash equivalents at beginning of the financial year	584,389	364,127
Cash and cash equivalents at end of the financial year	<u>313,709</u>	<u>584,389</u>
 Cash and cash equivalents at the end of the financial year comprise of the following:		
Time deposits	155,229	399,493
Cash and bank balances	158,480	184,896
	<u>313,709</u>	<u>584,389</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011)

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2012

These figures have not been audited

NOTES TO INTERIM FINANCIAL REPORT

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The interim financial statements are in compliance with IAS 34 "Interim Financial Reporting".

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2011.

First-time Adoption of Malaysian Financial Reporting Standards ("MFRS")

The Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework commencing 1 January 2012. The MFRS Framework comprises standards as issued by the International Accounting Standards Board ("IASB"). This condensed quarterly report has applied MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards".

Subject to certain transition elections as disclosed below, the Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 January 2011 (date of transition) and throughout all financial periods presented, as if these policies had always been in effect. Comparative figures for 2011 in this condensed report have been restated to give effect to these changes. The effects of the transition to MFRS on the Group's previously reported equity balances are disclosed below. The adoption of the MFRS Framework did not result in any material impact to the interim financial statements as the accounting policies applicable to the Group under the MFRS Framework are consistent with the accounting policies previously adopted under the Financial Reporting Standards ("FRS") in Malaysia.

(a) MFRS mandatory exceptions

Estimates

MFRS estimates as at the date of transition are consistent with the estimates as at the same date made in conformity with FRS.

Hedge accounting

Hedge accounting can only be applied prospectively from the date of transition to a hedging relationship that qualifies for hedge accounting under MFRS 139 "Financial Instruments: Recognition and Measurement" at that date. Hedging relationships cannot be designated retrospectively. The Group has not applied hedge accounting in the current quarter.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

1. Basis of preparation (continued)

(b) MFRS exemption options

Exemption for business combinations

MFRS 1 provides the option to apply MFRS 3 “Business Combinations” prospectively for business combinations that occurred from the date of transition or from a designated date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date or a designated date prior to the transition date. The Group has elected to apply MFRS 3 prospectively to business combinations that occurred from 1 January 2011 (date of transition) and onwards. Business combinations that occurred prior to 1 January 2011 have not been restated. In addition, the Group has also applied MFRS 127 “Consolidated and Separate Financial Statements” from the same date.

Exemption for cumulative foreign currency translation differences

MFRS 1 permits cumulative foreign currency translation gains and losses for all foreign operations to be reset to zero at the date of transition. This provides relief from determining cumulative currency translation differences in accordance with MFRS 121 “The Effects of Changes in Foreign Exchange Rates” from the date a foreign operation was acquired. The Group elected to reset all cumulative translation differences to zero against its opening retained earnings as at 1 January 2011. The cumulative translation differences as at that date amounted to a loss of RM9,930,000.

(c) Other transitional adjustments – capital reserves

In view of an absence of any MFRS specifically governing the accounting treatment for capital reserves, the Group has decided to reset its capital reserves balance as at 1 January 2011 against its retained profits as at the same date. The capital reserve balance transferred to retained earnings amounted to RM85,000.

The table below reconciles equity balances previously reported in accordance with FRSs to equity balances restated in accordance with MFRSs on 1 January 2011 (date of transition) and 31 December 2011:

Retained profits

	1 January 2011 RM'000	31 December 2011 RM'000
Retained profits as reported under FRS	370,761	437,699
<u>Transitional adjustments:</u>		
Cumulative foreign currency translation differences as at 1 January 2011 transferred to retained earnings	(9,930)	(9,930)
Capital reserves as at 1 January 2011 transferred to retained earnings	85	85
Effects of transitioning to MFRS	(9,845)	(9,845)
Retained profits restated under MFRS	<u>360,916</u>	<u>427,854</u>

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

1. Basis of preparation (continued)

	1 January 2011 RM'000	31 December 2011 RM'000
<u>Exchange translation reserves</u>		
Exchange translation reserves as reported under FRS	(9,930)	(3,458)
<u>Transitional adjustments:</u>		
Cumulative foreign currency translation differences as at 1 January 2011 transferred to retained earnings	9,930	9,930
Exchange translation reserves restated under MFRS	-	6,472
	<u> </u>	<u> </u>
<u>Capital reserves</u>		
Capital reserves as reported under FRS	85	85
<u>Transitional adjustments:</u>		
Capital reserves as at 1 January 2011 transferred to retained earnings	(85)	(85)
Capital reserves restated under MFRS	-	-
	<u> </u>	<u> </u>

The transitional adjustments did not result in any changes to previously reported amounts of the total comprehensive income.

2. Qualification of financial statements

The audited financial statements of the preceding financial year were not subject to any qualification.

3. Seasonal or cyclical factors

The Group's operation was not affected by seasonal or cyclical factors.

4. Unusual items

Save for the information disclosed in this financial report, there were no other material items affecting assets, liabilities, equity, net income, or cash flows for the financial period that were unusual due to their nature, size, or incidence.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

5. Changes in estimates

There were no significant changes in estimates of amounts reported in prior interim periods that had a material effect in the current interim period.

6. Debt and equity securities

	Current Quarter Ended 31 December 2012 No. of Shares	Financial Year Ended 31 December 2012 No. of Shares
Issuance of ordinary shares:		
- Conversion of ICULS	-	17,050,801
- Bonus shares arising from conversion of ICULS	-	4,262,700
	<hr/>	<hr/>
	-	21,313,501

Pursuant to the terms and conditions stipulated in the Trust Deed dated 9 January 2001 and the Supplementary Trust Deed dated 16 May 2002 (collectively referred to as "Trust Deed"), all outstanding ICULS matured on 21 May 2012 ("Maturity Date"). Accordingly, 7,024,401 ICULS which remained outstanding on 21 May 2012 were automatically converted into 17,561,001 ordinary shares of RM0.50 each as paid-up share capital of the Company. The ICULS were also removed from the Official List of Bursa Malaysia Securities Berhad with effect from 22 May 2012.

During the fourth quarter of 2012, the Company repurchased 1,582,200 of its issued ordinary shares from the open market (year to-date: 4,598,900). The Company held a total of 4,704,449 treasury shares as at 31 December 2012.

Apart from the above, there were no other issuance and repayment of debt and equity securities, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial year ended 31 December 2012.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

7. Dividends

Proposed Dividend

	Year ended 31 December 2012	Year ended 31 December 2011
The Directors approved the declaration of a second interim dividend comprising:-		
Cash dividend per share	(a) 2.5 sen single tier	3.0 sen Malaysian tax exempt
Share dividend per share	*(b) special single tier share dividend on the basis of 1:110	Nil
Date payable and to be credited/paid	3 April 2013	2 April 2012

* The special single tier share dividend to be distributed from the treasury shares of Wah Seong Corporation Berhad ("WSC") is made on the basis of one (1) WSC share for every one hundred and ten (110) existing WSC ordinary shares of RM0.50 each held at the entitlement date. Based on the share price of WSC shares of RM1.65 each as at 31 December 2012, the value of the share dividend per WSC share is equivalent to a gross dividend of 1.50 sen.

The total dividend for financial year ended 31 December 2012 comprising this proposed second interim dividend together with the first interim cash dividend of 3.0 sen per share is equivalent to a gross dividend per share of 7.00 sen.

The entitlement date of the second interim dividend is fixed on 13 March 2013.

The Directors do not propose any final dividend for the financial year ended 31 December 2012.

Dividend Paid

	Year ended 31 December 2012	Year ended 31 December 2011
First interim dividend comprising:-		
Cash dividend per share	(a) 1.25 sen less 25% Malaysian income tax; and (b) 1.75 sen Malaysian tax exempt	3.0 sen Malaysian tax exempt
Date paid	3 October 2012	17 October 2011

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

8. Segment information

	<u>Oil & Gas</u> RM'000	<u>Renewable Energy</u> RM'000	<u>Industrial Trading & Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
RESULTS					
<u>Financial year ended 31 December 2012</u>					
Revenue	872,120	302,331	709,522	102,622	1,986,595
Less: Inter segment revenue	(28,375)	-	(3,937)	(2,731)	(35,043)
External revenue	<u>843,745</u>	<u>302,331</u>	<u>705,585</u>	<u>99,891</u>	<u>1,951,552</u>
Segment profits	46,662	43,041	7,194	6,639	103,536
Share of results of associates					2,538
Unallocated expenses relating to financing activities					(15,889)
Unallocated corporate expenses					(7,704)
Profit before tax					<u>82,481</u>
TOTAL ASSETS					
<u>As at 31 December 2012</u>					
Segment assets	1,186,289	272,015	310,062	77,612	1,845,978
Investment in associates	100,969	-	13,686	-	114,655
Investment in jointly controlled entities	26,236	-	-	45,528	71,764
	<u>1,313,494</u>	<u>272,015</u>	<u>323,748</u>	<u>123,140</u>	<u>2,032,397</u>
Assets of disposal groups held for sale					3,990
Unallocated corporate assets					
- Deferred tax assets					10,498
- Tax recoverable					23,490
- Cash and cash equivalents					75,708
- Others					29,275
Total assets					<u>2,175,358</u>

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

8. Segment information (continued)

	<u>Oil & Gas</u> RM'000	<u>Renewable</u> <u>Energy</u> RM'000	<u>Industrial</u> <u>Trading &</u> <u>Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
OTHER INFORMATION					
<u>Financial year ended 31 December 2012</u>					
Depreciation of:					
- Property, plant and equipment	46,034	3,698	3,194	983	53,909
- Investment properties	-	-	34	225	259
Amortisation of:					
- Prepaid lease payments	901	-	414	15	1,330
- Other intangible assets	449	45	-	-	494
Impairment of:					
- Investment properties	-	-	58	-	58
Additions of:					
- Property, plant and equipment	29,569	6,325	796	1,780	38,470
- Prepaid lease payments	20,959	-	-	-	20,959
- Investment properties	-	-	-	5,510	5,510
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

8. Segment information (continued)

	<u>Oil & Gas</u> RM'000	<u>Renewable Energy</u> RM'000	<u>Industrial Trading & Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
RESULTS					
<u>Financial year ended 31 December 2011</u>					
Revenue	926,042	224,951	667,385	83,329	1,901,707
Less: Inter segment revenue	(445)	(1,016)	(4,923)	(6,212)	(12,596)
External revenue	<u>925,597</u>	<u>223,935</u>	<u>662,462</u>	<u>77,117</u>	<u>1,889,111</u>
Segment profits	143,372	29,661	14,940	6,028	194,001
Share of results of associates					1,055
Unallocated expenses relating to financing activities					(19,375)
Unallocated corporate expenses					(2,413)
Profit before tax					<u>173,268</u>
TOTAL ASSETS					
<u>As at 31 December 2011</u>					
Segment assets	1,401,744	223,608	284,803	58,100	1,968,255
Investment in associates	4,325	-	13,616	-	17,941
Investment in jointly controlled entities	22,107	-	-	-	22,107
	<u>1,428,176</u>	<u>223,608</u>	<u>298,419</u>	<u>58,100</u>	<u>2,008,303</u>
Assets of disposal groups held for sale					8,576
Unallocated corporate assets					8,693
- Deferred tax assets					14,478
- Tax recoverable					255,115
- Cash and cash equivalents					458
- Others					458
Total assets					<u>2,295,623</u>

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

8. Segment information (continued)

	<u>Oil & Gas</u> RM'000	<u>Renewable Energy</u> RM'000	<u>Industrial Trading & Services</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
OTHER INFORMATION					
<u>Financial year ended 31 December 2011</u>					
Depreciation of:					
- Property, plant and equipment	44,675	3,727	2,969	848	52,219
- Investment properties	117	-	37	54	208
Amortisation of:					
- Prepaid lease payments	738	-	418	17	1,173
- Other intangible assets	108	22	-	-	130
Impairment of:					
- Property, plant and equipment	19,089	-	-	-	19,089
Additions of:					
- Property, plant and equipment	35,889	2,502	305	503	39,199
- Other intangible assets	-	112	-	-	112
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Company name : **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
Stock name : **WASEONG**
Financial Period Ended : **31 December 2012**
Quarter : **4**

9. Events subsequent to the balance sheet date

There were no material subsequent events since the end of the current quarter until a date not earlier than 7 days from the date of issuance of this quarterly report, except for the following:

- (i) On 31 January 2013, the Company announced the completion of Stage 2 of the Proposed Subscriptions following a cash payment of USD9.3 million (equivalent to RM28,671,900 based on the exchange rate of USD1.00 to RM3.083) by its wholly-owned subsidiary, WS Agro Industries Pte. Ltd. ("WS Agro") for the subscription and allotment of an additional 16,000 Atama Resources Inc. ("ARI") Shares.

With the completion of Stage 2 of the Proposed Subscriptions, the total shareholding of WS Agro in ARI has increased to 51%. Accordingly, ARI has become an indirect subsidiary of the Company with effect from 31 January 2013.

- (ii) Further to the announcement made on 8 November 2012, the Company had on 22 February 2013 announced that the Ministry of International Trade and Industry ("MITI") had, vide its letter dated 18 February 2013, approved the application made by Spirolite (M) Sendirian Berhad ("Spirolite") in relation to the waiver of an equity condition and has updated the conditions imposed in its manufacturing license.

Following MITI's approval, the acquisition of a total of 2,665,112 ordinary shares of RM1.00 each which is equivalent to a total of 51.49% of the equity interest in the total issued and paid-up share capital of Spirolite from the respective vendors for a total cash consideration of RM12,873,196 shall take place within twenty one (21) calendar days from the date thereof.

10. Effects of changes in the composition of the Group during the current quarter

- (i) On 1 October 2012, the Company announced that Total Oil Technologies Sdn Bhd ("TOT"), an indirect wholly-owned subsidiary of the Company, had on 28 September 2012 entered into a Stock Redemption Agreement ("SRA") with Deepwater Corrosion Services, Inc. ("DCS"), James N. Britton and Valeria A. Britton (both Britton's, collectively the "Remaining Shareholders"), for the disposal of 255 shares of common stock of USD1.00 each in DCS, representing a 51% ownership interest in the issued and paid-up share capital of DCS via a stock redemption by DCS for a total cash consideration of USD3,207,524 (equivalent to RM10,053,663 based on the exchange rate of USD1.00 to RM3.1344) (hereinafter referred to as "Stock Redemption").

The Stock Redemption includes the disposal by TOT, of its 255 shares of common stock of USD1.00 each in Inter Resources, Inc. ("IRI") representing a 51% ownership interest in IRI. The remaining 49% of ownership interest in IRI is held by the Remaining Shareholders. The Stock Redemption was completed on 1 October 2012.

As a result of the disposals, both DCS and IRI ceased to be indirect subsidiaries of the Company. The disposals resulted in a gain of approximately RM4,258,000.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

10. Effects of changes in the composition of the Group during the current quarter (continued)

- (ii) On 23 October 2012, Wasco Engineering Technologies Pte. Ltd. ("WET"), an indirect subsidiary of the Company via Wasco Engineering Group Limited ("WEGL"), had issued and allotted 3,800,000 ordinary shares in the share capital of WET at SGD1.00 per share to WEGL which were satisfied in the following manner as fully paid-up share capital of WET:
- (a) by way of capitalising an amount of up to SGD3,652,800 (equivalent to USD3,000,000 based on the exchange rate of USD1.00 to SGD1.2176) owing by WET to WEGL; and
 - (b) by way of a cash payment of SGD147,200 (equivalent to USD120,893.56 based on the exchange rate of USD1.00 to SGD1.2176).

As a result of the above, the indirect effective interest of the Company in WET had increased from 70% to 91.99%. The effects of this transaction have been disclosed in the consolidated statement of changes in equity.

- (iii) On 2 November 2012, the Company via its wholly-owned subsidiary, PMT Industries Sdn Bhd ("PMTI"), acquired an additional 300,000 ordinary shares of RM1.00 each, equivalent to 30% equity interest in the issued and paid-up capital of PMT-Dong Yuan Industries Sdn Bhd ("PMT-Dong Yuan") from Jutamas Riang Sdn Bhd, for a total cash consideration of RM5,360,000. Accordingly, PMT-Dong Yuan has become a wholly-owned indirect subsidiary of the Company. The effects of this transaction have been disclosed in the consolidated statement of changes in equity.

11. Status of corporate proposals

Except as disclosed below, there are no other corporate proposals announced but not completed as at 20 February 2013, being the latest practicable date that shall not be earlier than 7 days from the date of this quarterly report.

Arabian-Yadong Coating Co. Ltd.

The Company had on 26 January 2011 and 31 January 2011 announced the proposed disposal of its indirect equity interest in Arabian-Yadong Coating Co. Ltd. The completion of the proposed disposal is awaiting full satisfaction of the conditions precedent in the said proposal.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

12. Capital commitments

Capital commitments not provided for in the interim report:

	As at 31 December 2012 RM'000
Approved and contracted for	<u>34,561</u>
Approved but not contracted for	<u>39,005</u>

13. Operating lease commitments

Total future minimum lease payments under operating leases are as follows:

	As at 31 December 2012 RM'000
Payable not later than one year	<u>2,265</u>
Payable later than one year and not later than five years	<u>835</u>

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4
Other information required by Bursa Malaysia Securities Berhad Main Market Listing Requirements

14. Review of performance of operating segments for the current quarter and financial year ended 31 December 2012

Oil & Gas Segment

The Oil & Gas Segment's external revenue for the fourth quarter and financial year ended 31 December 2012 were RM159.8 million and RM843.7 million respectively, compared with RM267.5 million and RM925.6 million in the corresponding periods in 2011, representing a decrease of 40.3% and 8.8% respectively. The profit before taxation for the fourth quarter and financial year ended 31 December 2012 were RM3.7 million and RM46.7 million respectively, compared with RM22.1 million and RM143.4 million in the corresponding periods in 2011, representing a decrease of 83.3% and 67.4%.

During the periods under review, revenue decreased as the start of anticipated projects had been delayed or deferred by customers. This fall together with a large number of lower margin projects executed during the periods under review affected the profitability of the segment.

Renewable Energy Segment

The Renewable Energy Segment's external revenue for the fourth quarter and financial year ended 31 December 2012 were RM95.1 million and RM302.3 million respectively compared with RM68.5 million and RM223.9 million in the corresponding periods in 2011, representing an increase of 38.8% and 35.0% respectively. In the same periods, the profit before taxation were RM14.8 million and RM43.0 million respectively compared with RM12.1 million and RM29.7 million in the corresponding periods in 2011, representing an increase of 22.3% and 44.8% respectively.

The buoyant oleochemical market has resulted in an increase in number of projects executed by the segment during the period under review which contributed to the increase in profit before taxation of the segment.

Industrial Trading & Services Segment

The Industrial Trading & Services Segment's external revenue for the fourth quarter and financial year ended 31 December 2012 were RM181.7 million and RM705.6 million respectively, compared with RM161.6 million and RM662.5 million in the corresponding periods in 2011, representing an increase of 12.4% and 6.5% respectively. In the fourth quarter, the segment recorded a breakeven result compared with a profit before taxation of RM2.2 million in the corresponding period in 2011, a decrease of 99.4%. The profit before taxation for the financial year ended 31 December 2012 was RM7.2 million compared with RM14.9 million in the corresponding period in 2011, a decrease of 51.7%.

Despite increases in revenue generated, the profitability of the segment has been affected by write-down of inventories and impairment of certain receivables.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4
Other information required by Bursa Malaysia Securities Berhad Main Market Listing Requirements (continued)

15. Material changes in the profit before taxation for the current quarter as compared with the immediate preceding quarter

The profit before taxation decreased to RM9.6 million from RM14.9 million in the previous quarter. The results of the current quarter were affected by the execution of lower margin projects in the Oil & Gas Segment and impairment of certain receivables and inventory write-down in the Industrial Trading & Services Segment.

16. Current period prospects

The Group's current order book amounted RM1.5 billion comprising RM1,122 million for Oil & Gas Segment, RM245 million for Renewable Energy Segment and RM172 million for Industrial Trading & Services Segment. This order book is expected to have a positive impact for financial years ending 31 December 2013 and 2014.

17. Profit before tax

Profit before tax is stated after charging/(crediting) the following items:	Current Quarter Ended 31 December 2012 RM'000	Preceding Corresponding Quarter Ended 31 December 2011 RM'000	Financial Year Ended 31 December 2012 RM'000	Preceding Corresponding Financial Year Ended 31 December 2011 RM'000
Interest income	(1,760)	(3,182)	(10,243)	(11,137)
Bad debts written off	309	526	369	1,464
Depreciation and amortisation	11,861	13,028	55,992	53,730
Allowance/(reversal of allowance) for impairment on receivables	4,222	1,384	8,465	(4,704)
Provision for and write-off of inventories - net	1,490	3,827	5,617	6,918
Impairment of investment in an associate	43	-	1,777	-
Impairment loss on amount due from an associate	229	126	2,413	126
Impairment of investment properties	-	-	58	-
Impairment loss on property, plant and equipment	-	16,274	-	19,089
Net foreign exchange (gain)/loss	(3,460)	1,738	(3,772)	1,552
Gain on disposal of properties	-	-	(236)	-

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

17. Profit before tax (continued)

	Current Quarter Ended 31 December 2012 RM'000	Preceding Year Corresponding Quarter Ended 31 December 2011 RM'000	Financial Year Ended 31 December 2012 RM'000	Preceding Corresponding Financial Year Ended 31 December 2011 RM'000
Profit before tax is stated after charging/(crediting) the following items:				
Gain on disposal of subsidiaries	(4,258)	-	(4,258)	(199)
Gain on disposal of available-for-sale financial assets	-	-	(6)	-
Negative goodwill of acquisition of an associate (provisional)	-	-	(7,791)	-

Save as disclosed above and in the Condensed Consolidated Statement of Comprehensive Income, the other items required by Bursa Malaysia Securities Berhad Main Market Listing Requirements, Chapter 9, Appendix 9B are not applicable to the Group.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

18. Taxation

Taxation comprises the following:

	Current Quarter Ended 31 December 2012 RM'000	Financial Year Ended 31 December 2012 RM'000
Tax expense		
- Malaysian tax	5,872	14,415
- Foreign tax	(185)	7,438
	5,687	21,853

The effective tax rate of the Group varies from the statutory tax rate mainly due to the following:

	Current Quarter Ended 31 December 2012 RM'000	Financial Year Ended 31 December 2012 RM'000
Profit before tax	9,652	82,481
Tax expense at the statutory tax rate – 25%	2,413	20,620
Effects arising from certain subsidiaries which are not subjected to tax or enjoy tax exemption incentives	1,058	(9,649)
Other tax adjustments	576	5,214
Under provision in prior year	1,640	5,668
	3,274	1,233
Taxation	5,687	21,853

19. Profit forecast

The Group did not issue any profit forecast for the current quarter.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

20. Group borrowings and debt securities

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bankers' acceptances	-	97,558	97,558
Revolving credits	-	285,359	285,359
Term loans	-	81,662	81,662
Hire purchase liabilities	8	-	8
Sub-total	<u>8</u>	<u>464,579</u>	<u>464,587</u>
Long term borrowings			
Term loans	-	219,868	219,868
Hire purchase liabilities	17	-	17
Sub-total	<u>17</u>	<u>219,868</u>	<u>219,885</u>
Total borrowings	<u>25</u>	<u>684,447</u>	<u>684,472</u>

The group borrowings are denominated in the following currencies:

	RM'000
Ringgit Malaysia	112,470
US Dollar	572,002
	<u>684,472</u>

21. Financial instruments

Gains and losses arising from fair value changes in financial liabilities

The fair value gains and losses arising from fair value changes in financial liabilities during the current quarter and financial year ended 31 December 2012 are as follows:

	Current quarter RM'000	Financial year ended 31 December 2012 RM'000
Forward foreign currency contracts		
Balance as at -1 January 2012	-	(3,808)
Fair value gain/(loss) recognised in:		
- profit or loss	-	4,225
- other comprehensive income	-	55
Balance as at 31 December 2012	<u>-</u>	<u>472</u>

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
 Stock name : WASEONG
 Financial Period Ended : 31 December 2012
 Quarter : 4

21. Financial instruments (continued)

Gains and losses arising from fair value changes in financial liabilities (continued)

	Preceding year corresponding quarter		Preceding corresponding financial year	
	Interest rate swap RM'000	Forward foreign currency contracts RM'000	Interest rate swap RM'000	Forward foreign currency contracts RM'000
Balance as at				
- 1 January 2011	-	-	(414)	2,187
- 1 October 2011	-	(5,800)	-	-
Fair value gain/(loss) recognised in:				
- profit or loss	-	1,970	-	(5,914)
- other comprehensive income	-	22	414	(81)
Balance as at 31 December 2011	-	(3,808)	-	(3,808)

Forward foreign currency contracts

	2012 RM'000	2011 RM'000
Represented by:		
Derivative financial assets	472	-
Derivative financial liabilities	-	(3,808)
Balance as at 31 December	472	(3,808)

The above fair values represent an estimated valuation derived from market quotations or from proprietary models that take into consideration estimates about relevant present and future market conditions as well as the size and liquidity of the position and any related actual or potential hedging transactions.

Company name : **WAH SEONG CORPORATION BERHAD (Company No.:495846-A)**
Stock name : **WASEONG**
Financial Period Ended : **31 December 2012**
Quarter : **4**

22. Material litigation

Save as disclosed below, there were no material litigations pending or changes to the status of material litigations since the last annual balance sheet date up to 20 February 2013:

On 17 December 2008, Socotherm S.p.A. ("Socotherm") commenced a Request for Arbitration against the Company and its indirect wholly-owned subsidiary, Wasco Coatings Limited ("WCL").

At the relevant time, Socotherm and WCL were shareholders of PPSC Industrial Holdings Sdn. Bhd. ("PPSCIH"), an investment holding company where Socotherm held 32.52% and WCL held 67.48% in the total paid-up capital of PPSCIH. PPSCIH in turn held 78.00% of the paid-up capital of Wasco Coatings Malaysia Sdn. Bhd. ("WCM") (formerly known as PPSC Industries Sdn. Bhd.), a company principally involved in the coating of pipes for the oil and gas industry. In October 2009, WCL acquired Socotherm's 32.52% interest in PPSCIH and currently, PPSCIH holds 70% of the paid-up capital of WCM.

Socotherm alleged that the transfer of 25,508,858 shares in PPSCIH ("PPSCIH Shares") from the Company to WCL, as part of an internal restructuring, is in breach of the Joint Venture Agreement dated 16 December 1991 ("JVA") and Supplemental Agreement dated 14 July 1997 ("SA") (collectively known as the "said Agreements") and that the Company and WCL have breached certain territorial limit provisions under the said Agreements. Socotherm is seeking for an order for damages to be assessed by the Arbitral Tribunal for the breach of the territorial limits provisions and the transfer of shares.

On 24 February 2009, WCM commenced a Request for Arbitration against Socotherm, which is consolidated as a counter-claim in the above-mentioned arbitration. WCM alleged that the Respondent has also breached certain territorial limit provisions under the said Agreements arising from its activities in the extended territories as defined in the SA which directly competes with WCM's activities in those territories, in particular Vietnam, India, Australia, Indonesia and China.

A partial award was received from the Arbitral Tribunal concerning only the issue of liability of the parties to the two arbitral proceedings to each other under the various claims and counterclaims. The Arbitral Tribunal inter alios held that:

- The Company and WCL were in breach of certain provisions on transfer of PPSCIH shares. However, Socotherm's claim for a re-transfer of the PPSCIH Shares for breach is dismissed.
- The Company and WCL are liable to Socotherm for breach of certain provisions in the JVA and the SA respectively that placed certain territorial limits under the JVA and the SA on the pipe-coating services that could be provided and on the sale of pipe-coating plants.
- WCM is liable to pay Socotherm a fee of 5% on the net profit on projects procured within the countries defined in the SA.
- Socotherm is liable to WCM for the breach of the territorial restrictions in the SA in respect of certain projects undertaken by Socotherm in Vietnam and China.
- WCM's claims against Socotherm for breach of the territorial restrictions in the SA in respect of certain projects undertaken by Socotherm in India, Indonesia and Australia were dismissed.
- Costs of the proceedings are reserved.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

22. Material litigation (continued)

The consolidated arbitral proceedings will proceed to the next phase for the determination of the compensation payable by the parties to each other in respect of the findings on liability as described above.

The hearing date for the next phase of the arbitral proceedings has been rescheduled to May 2013.

The Directors are unable to ascertain the impact of the award at this point, pending the next phase of arbitral proceedings for the determination of the compensation payable by each party.

23. Earnings per share (EPS)

(i) Basic earnings per share

The basic earnings per share for the current quarter and current financial year have been computed based on net profit attributable to the owners of the Company for the financial quarter/year divided by the weighted average number of ordinary shares of RM0.50 each in issue after adjusting for movements in treasury shares during the financial quarter/year:

	Current Quarter Ended		Financial Year Ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Net profit attributable to the owners of the Company (RM'000)	<u>5,237</u>	<u>19,520</u>	<u>52,538</u>	<u>110,374</u>
Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares (No. of Shares ('000))	<u>774,710</u>	<u>774,884</u>	<u>765,772</u>	<u>762,340</u>
Basic earnings per share (Sen)	<u>0.68</u>	<u>2.52</u>	<u>6.86</u>	<u>14.48</u>

(ii) Diluted earnings per share

The Warrants 2008/2013 are anti-dilutive and hence the calculation of diluted earnings per share for the financial year does not assume the exercise of the Warrants 2008/2013.

24. Contingent liabilities

There were no contingent liabilities arising since the last annual audited balance sheet date.

Company name : WAH SEONG CORPORATION BERHAD (Company No.:495846-A)
Stock name : WASEONG
Financial Period Ended : 31 December 2012
Quarter : 4

25. Supplementary information disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirements

The following analysis of realised and unrealised retained profits is prepared pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No. 1 - Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	As at 31 December 2012 RM'000	As at 31 December 2011 Restated RM'000
Total retained profits of the Company and its subsidiaries		
- Realised gains	419,002	452,127
- Unrealised losses	(2,158)	(22,916)
Total share of retained profits from associates		
- Realised gains	8,731	4,958
- Unrealised losses	(1,442)	-
Total share of retained profits from jointly controlled entities		
- Realised gains	3,469	2,783
- Unrealised gains/(losses)	5	(7)
	<hr/> 427,607	<hr/> 436,945
Consolidation adjustments	<hr/> (5,700)	<hr/> (9,091)
Total group retained profits as per consolidated financial statements	<hr/> 421,907	<hr/> 427,854

By Order of the Board

Woo Ying Pun
Company Secretary

Kuala Lumpur